



The State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

**Representatives Present During the Inspection:**

Company	Vicky S. Miller	Environmental Specialist
OGM	Gregg Galecki	Environmental Scientist III

## Inspection Report

Permit Number:	C0070039
Inspection Type:	PARTIAL
Inspection Date:	Thursday, February 19, 2004
Start Date/Time:	02/19/2004 9:00:00 AM
End Date/Time:	02/19/2004
Last Inspection:	

Inspector: Pete Hess, Environmental Scientist III

Weather: Warm, thirties F; melting snow; extremely muddy.

InspectionID Report Number: 183

Accepted by: dhaddock  
03/08/2004

Permittee: **CANYON FUEL COMPANY LLC**

Operator: **CANYON FUEL COMPANY LLC**

Site: **DUGOUT CANYON MINE**

Address: **PO BOX 1029, WELLINGTON UT 84542**

County: **CARBON**

Permit Type: **PERMANENT COAL PROGRAM**

Permit Status: **ACTIVE**

**Current Acreages**

7,083.71	Total Permitted
51.11	Total Disturbed
	Phase I
	Phase II
	Phase III

**Mineral Ownership**

- ☒ Federal  
☒ State  
☐ County  
☒ Fee  
☐ Other

**Types of Operations**

- ☒ Underground  
☐ Surface  
☐ Loadout  
☐ Processing  
☐ Reprocessing

**Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:**

Today's complete inspection was conducted in conjunction with the annual inspector/hydrologist joint inspection. Mr. Gregg Galecki is the reclamation hydrologist assigned to the Dugout Canyon operation. Much of the snow which previously existed on the Mine's operational surface has melted, and the ground conditions are very soft. A skiff of snow had occurred overnight and access to the Gilson well pad and the primary and secondary substations was not possible via four wheel drive vehicle.

**Inspector's Signature:** \_\_\_\_\_

**Date** Monday, February 23, 2004

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining

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## Inspection Continuation Sheet

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### **REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENT**

1. *Substantiate the elements on this inspection by checking the appropriate performance standard.*
  - a. *For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.*
  - b. *For PARTIAL inspections check only the elements evaluated.*
2. *Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.*
3. *Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.*
4. *Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.*

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**1. Permits, Change, Transfer, Renewal, Sale**

The current permit issued by the Division to the permittee remains in effect until March 16, 2008. The only permit condition included as part of Attachment A is the condition to submit water monitoring information through the Division's electronic data input web site. The permittee has been in compliance with this permit condition for several years.

**3. Topsoil**

The soil piles which are located along the Soldier Canyon road in the SC3/Dugout storage area are under frozen, compacted snow.

**4.a Hydrologic Balance: Diversions**

The diversion's which were visible appeared to be capable of functioning as designed.

**4.b Hydrologic Balance: Sediment Ponds and Impoundments**

The fourth quarter 2003 impoundment inspections for the mine site sediment pond and the waste rock facility were conducted by Mr. Dave Spillman, Manager of Technical Services for the permittee on November 11, and November 21 respectively. There were no signs of structural weakness, or other types of hazards noted by Mr. Spillman. There were no hazards noted with either of the ponds during today's field inspection.

**4.c Hydrologic Balance: Other Sediment Control Measures**

The permittee has constructed the first of two catch basins which were permitted and approved by the Division via TASK ID #1749 on October 21, 2003. As of this day, the second basin was being formed for the pouring of concrete. Several culverts will also be installed as part of this project.

#### **4.d Hydrologic Balance: Water Monitoring**

According to Ms. Vicky Miller, there have not been any water monitoring sites visited in the Dugout Canyon Mine permit area during January/ February. The fourth quarter data for 2004 was ready for submittal to the Division. Discharge monitoring reports for the months of November, December of 2003 and January of 2004 were reviewed for exceedance of any effluent parameters and timeliness. The permittee experienced an exceedance of the iron limit with samples taken during the month of November at outfall 001A, which is the Mine water discharge point. This is ground water being intercepted in the old Knight Mine and West Mine, both located in the Gilson seam. Same was reported to the Utah Division of Water Quality on November 24, 2003 via written notification. The DOGM was informed of this parameter exceedance in the same correspondence.

Well GW-24-11 has not been functional for the past few years. The well has not been repaired or properly abandoned. The Mine is evaluating the possibility of using the well casing as a means to provide air, communication, and provisions for a "safe room" underground for miners in an emergency situation.

#### **4.e Hydrologic Balance: Effluent Limitations**

The permittee and the Utah Division of Water Quality continue to work on developing a special permit for discharging the ground water being intercepted by the old Knight Mine workings. High TDS and iron content in the discharged water is necessitating this re-evaluation of the permittee's UPDES permit. Of the water which is being discharged from the Dugout, the old Knight Mine (located on the east side of the canyon) is contributing approximately 45 gpm of moderate TDS/high D-Fe water. The old West Mine workings is contributing approximately 70-190 gpm of high TDS/low D-Fe water. The combination of the two (2) intercepted waters is exceeding the limitations of the UPDES permit. The Mine is hoping to get an allowance for the water being 'intercepted groundwater' that would naturally report Dugout Creek through the alluvium. The permittee informed the Division that the new discharge permit is anticipated to be in place by April of 2004. The Division will continue to monitor the impacts of this discharge to assess downstream impacts.

#### **7. Coal Mine Waste, Refuse Piles, Impoundments**

The fourth quarter of 2003 waste rock pile inspection was conducted by Mr. Dave Spillman, P.E., on November 21, 2003. There were no signs of structural weakness or other hazards associated with the refuse storage facility. The inspection report was certified by Mr. Spillman on January 12, 2004. As observed this day, the pile is under thawing snow. No problems were evident at the site.

**9. Protection of Fish, Wildlife and Related Environmental Issues**

The permittee's spill prevention control and counter measure plan was P.E. certified by Mr. Dave Spillman, Manager of Technical Services for the permittee on November 26, 2003. Five bulk tanks contain lubricants and fuels for the operation, ranging in volume from 500 to 10,000 gallons. The plan contains a P.E. certified facilities map showing the location of each of the tanks.

**16.a Roads: Construction, Maintenance, Surfacing**

Roads at the site were very soft due to recent warm temperatures and moisture conditions in the area. The permittee was making every effort to improve roadway conditions in order to enhance operations.

**20. Air Quality Permit**

The permittee's current air quality approval order became effective July 9, 2003. The annual throughput for the Dugout Canyon Mine is five million tons per year.